

## OHIO AIR QUALITY DEVELOPMENT AUTHORITY

The regular meeting of the Ohio Air Quality Development Authority (“Authority”) was held on Wednesday, June 14, 2023, at 10:00 am.

These are the minutes of the meeting.

**Members present:**

Jim Simon, Chairman  
Mike Keenan, Vice Chairman  
Mike Curtin  
Cara Brook  
Ty Marsh

**Ex-Officio members present:**

Gene Phillips, Ohio Health Department

**Executive Director & Secretary-Treasurer present:**

Christina O’Keeffe, Executive Director

**General Counsel present:**

Thad Boggs, Frost Brown Todd

**Guests present:**

Sandra Langston, Administrative Manager  
Gabe Lorenz, Customer Service Coordinator  
Brooke Grant, Manager of Planning & Projects  
Katie Boyer, Inspire PR Group  
David Hard, Huntington National Bank  
Jackie Dever, Huntington National Bank

Dawn Pertner, Fiscal Officer  
Laura Klein, Program Coordinator  
Katie Lundy, Inspire PR Group  
Paul Naumoff, Ernst & Young  
Lucas Jackson, Ernst & Young

**Guests present remotely:**

Palmira Farinha Petmin USA, Inc.

Mary Sullivan, Dinsmore & Schol

This meeting of the Authority has been duly posted and given to all news media, organizations and other persons who requested such information in accordance and in full compliance with Chapter 3706-1 of the Ohio Administrative Code.

Chairman Simon called the meeting to order at 10:00 am.

1. Chairman Simon welcomed everyone.

Roll call of Authority Members:

Chairman Simon – Present  
Vice-Chairman Keenan – Present  
Member Curtin – Present  
Member Brook – Present

Member Marsh - Present  
Member Phillips – Present  
Member Johnson – Absent

General Counsel Boggs confirmed compliance with the Open Meetings Act, that a quorum was present and that it remained an open, public meeting. Mr. Boggs confirmed the meeting was fully in compliance with state law.

After the introduction of in person guests and those attending virtually, Chairman Simon provided introductory remarks and reiterated that resolutions would be considered on a roll call vote.

## 2. Consent Agenda:

- a. Approval of Minutes, May 10, 2023
- b. Approval of Resolution 23-19, Approving the Indirect Allocation Plan

Chairman Simon introduced the consent agenda and asked for a motion to approve or consideration of any items to be removed from the consent agenda. No items were requested to be removed.

Member Marsh inquired if the indirect allocation plan requires annual approval to which Director O’Keeffe replied yes. She further explained that the plan reimburses the trust account for expenditures relating to the small business program and the solar generation fund. This current process began two years ago after consultation with the Office of Budget and Management (OBM), which no longer included approval of the indirect amounts in the state operating budget, and it was determined the board is authorized to provide approval.

Vice Chairman Keenan moved for approval of the consent agenda. Member Marsh seconded.

Roll call vote:

Member Marsh: Yes  
Member Brook: Yes  
Member Phillips: Yes  
Chairman Simon: Yes  
Vice Chairman Keenan: Yes  
Member Curtin: Yes

Motion passed unanimously. The Consent Agenda was adopted.

## 3. Resolution 23-20 (CAIP/Inducement-Extension)                      Petmin USA, Inc.

A resolution agreeing to extend and amend the terms of Resolution no. 20-21, as amended by Resolution no. 21-25 and Resolution no. 22-28, with respect to the issuance of revenue bonds of the State of Ohio to assist in the financing of the costs

of the acquisition, construction and installation of air quality facilities for the use of Petmin USA, Inc.

Director O’Keeffe introduced this inducement resolution as a no-cost time extension for Petmin USA, Inc. She referenced Ms. Farinha, Petmin’s Chief Operating Officer, who joined the meeting virtually from South Africa at a later point in the meeting. Director O’Keeffe provided an update on the project, which was approved for an inducement in June 2020 for an amount not to exceed \$300 million and for a new manufacturing facility in Ashtabula, Ohio. As a result of the recent pandemic, the project encountered delays and major supply chain issues. The company is currently working on site preparations as well as negotiating with an investor. Additionally, the project may be expanded to include a carbon dioxide recycling plant to capture and utilize these emissions from the manufacturing process. The company continues to do its due diligence and recognizes that it needs more time, hence the request for an extension.

Member Marsh inquired about the process for referral of these types of projects. Director O’Keeffe replied that this project was referred to the Authority by JobsOhio as it may align with the overall incentive package to attract companies into Ohio.

Chairman Simon requested a motion to approve Resolution 23-20. Member Curtin moved for approval. Member Marsh seconded.

Roll call vote:

Chairman Simon: Yes

Member Brook: Yes

Member Curtin: Yes

Member Phillips: Yes

Member Marsh: Yes

Vice Chairman Keenan: Yes

Motion passed unanimously. Resolution adopted.

#### 4. Resolution 23-21 (Administrative)

#### CAIP & CARC Credit Enhancement

A resolution for the implementation of small business energy improvements and Clean Air Improvement Program credit enhancement initiatives with a loan loss reserve.

Director O’Keeffe presented this resolution, describing background information and the status on program development. The market needs assessment revealed an opportunity for the Authority to assist with more smaller energy efficient projects in underserved areas in Ohio and recommended an expansion of the Authority’s Small Business Assistance Program through the Clean Air Resource Center (CARC) to address that need. In addition, at the direction of the Authority board, there has been ongoing due diligence by PFM Financial Advisors and Dinsmore & Shohl, which were selected to research and develop credit enhancement for the Clean Air Improvement Program

(CAIP) to assist more projects in underserved communities in Ohio. As a result, it is recommended that OAQDA create a loan loss reserve program for projects to provide additional incentive in attracting private capital.

In recent months, OAQDA discussed opportunities with leadership at the Ohio Department of Development (ODOD) to receive funding through federal allocations in their State Energy Program (SEP) in order to seed the loan loss reserve. ODOD is providing \$1 million from the Infrastructure Investment and Jobs Act (IIJA) for this purpose in support of clean air projects in the CARC and CAIP programs. The OAQDA team is currently working on developing program details associated with the loan loss reserve and proposed a timeline to launch the program in October 2023 with a pilot period through June 2024.

Chairman Simon requested confirmation that these funds are “evergreen” and may exist through the implementation of the program; the only way the funds may be depleted is if there was a loan that defaulted, and the loan loss reserve fund had to be used to cure the default. Director O’Keeffe confirmed that is correct, adding the loan loss reserve, by design, is intended to share risk; however, the idea is to find ways to minimize those risks across the portfolio of projects.

Chairman Simon requested a motion to approve Resolution 23-21. Vice Chairman Keenan moved for approval. Member Brook seconded.

Roll call vote:

Vice Chairman Keenan: Yes

Member Phillips: Yes

Member Brook: Yes

Member Curtin: Yes

Chairman Simon: Yes

Member Marsh: Yes

Motion passed unanimously. Resolution adopted.

Director O’Keeffe recognized Ms. Palmira Farinha, who recently joined the meeting virtually, and asked her to provide an update on the status of the Petmin USA project related to Resolution 23-20. Ms. Farinha thanked the Board for the opportunity to provide an update on the project. The project began in 2019, and due to the COVID 19 pandemic, they paused the project thinking they would move forward in the first quarter of 2020. At that time, they continued with site preparations, but, as the pandemic continued, more delays occurred. During this period, the company continued communications with partners, ensured agreements were renewed and permits were up to date. Additionally, they continued discussions with potential investors. She stated the process is moving along, and the new targeted project start date is February 2024.

Chairman Simon thanked Ms. Farinha and stated that the Board approved the inducement resolution extension earlier in the meeting.

## 5. Executive Director's Report

Christina O'Keeffe

Director O'Keeffe provided an update regarding recent organizational activities and began by recognizing Mr. Gabe Lorenz to provide an update on communication-related activities.

Mr. Lorenz presented on marketing related to small businesses highlighted in onsite visits during Small Business Week during the first week of May that included Baker's Collision in Mansfield and Midtown Dry Cleaners in New Philadelphia. Both companies were presented proclamations from Governor DeWine and Lt. Governor Husted. Additional activities included attendance and sponsorship at the Midwest Regional Sustainability Summit in Cincinnati. OAQDA had an exhibit at this event and Director O'Keeffe served as a speaker. Director O'Keeffe also attended the Appalachian Ohio State of the Region Conference in Athens. She noted that Director Carey of the Governor's Office of Appalachia suggested that she attend the conference and it proved to be very valuable for networking. Additionally, Member Brook was on a panel and recognized OAQDA during her presentation. On May 24, Director O'Keeffe also presented at the Regional Growth Partnership meeting in Northwest Ohio. While in the area they met with other local stakeholders.

Member Marsh inquired about the types of information and questions involved in these events. Since the board's interest has been to increase the agency's visibility, Director O'Keeffe noted that these events and her presentations are based on introducing the agency's program. At the Appalachian Ohio State of the Region Conference, the focus was on the joint effort between OAQDA and the Ohio EPA to pursue federal funds from the GGRF.

Director O'Keeffe continued with general updates stating that OAQDA has closed on \$374.5 million in bonds that closes in on its \$400 million annual goal. Another \$108 million in bond financing has been approved and pending closing. She commended Ms. Brooke Grant for managing the projects, especially since there's been a significant increase in work related to this activity. She presented a memo from Deb Hackathorn, OAQDA's legislative consultant, which discussed the status of the state operating budget. The Senate version of the budget decreased OAQDA's spending authority; however, OAQDA requested the spending authority be restored. If the spending authority is not restored, OAQDA plans to take the request to the next available Controlling Board meeting in August.

Next, Director O'Keeffe recognized the work of Ms. Laura Klein, who will be leaving OAQDA on June 23 for an opportunity with the private sector. She highlighted the recent accomplishments of Ms. Klein, particularly relating to the Social Return on Investment Calculator (SROI) tool.

Director O'Keeffe introduced Ms. Kuenzli to provide an update on the partnership of OAQDA and Ohio EPA regarding pursuing competitive federal funding. Ms. Kuenzli provided a recap of the Inflation Reduction Act (IRA) which was approved and signed in August 2022. The IRA allocated more than \$14 billion in energy and air pollution related programs that will be rolled out over the next 10 years. The USEPA is receiving funding for these programs, which includes the

Climate Pollution Reduction Grant Program (CPRG). With Ohio EPA being the lead, the state submitted a Notice of Intent (NOI) from Governor DeWine for its allocation of \$3 million.

Ms. Kuenzli highlighted the process and timeline for applying for the CPRG funds. She noted that the Ohio EPA intended for these funds to assist with planning purposes in pursuing other IRA program funds aligned with the goals of the CPRG; however, the federal government stated CPRG funding cannot be used for costs in applying for another federal program, including the Greenhouse Gas Reduction Funds.

Director O’Keeffe stated it was recognized that for the state, and specifically OAQDA, to be in the best competitive position to pursue the GGRF, then a professional services consultant is necessary to assist the State with the strategy and application development as well as stakeholder engagement. She described the procurement process to solicit competitive bids and the identification of Ernst & Young LLP (EY) as being the best responsive and responsible bidder.

Vice Chairman Keenan inquired about how a change in federal executive administration might impact these programs. Director O’Keeffe noted that the federal government stated they want to obligate and disburse funding by September 2024. It is recognized that there may be additional risk for a “clawback,” if funds are sitting in an account without serving the program intended purpose or remain unspent according to eligibility rules.

Director O’Keeffe introduced representatives from EY. Mr. Paul Naumoff introduced himself and thanked the Board and Director O’Keeffe for the opportunity to assist the Authority and Ohio EPA in applying for federal funding. He has been with Ernst & Young for 28 years and noted his experience with federal, state and local entities across the state, country and globally. Additionally, Mr. Lucas Jackson introduced himself, describing his experience in grant writing for more than 10 years, and stated he will be performing a lot of the technical work, engaging with stakeholders and writing the proposal.

Mr. Jackson stated that EY will assist OAQDA through community partnerships in developing the best use for the federal funds in Ohio. They will work to identify the areas that need more funds and navigate all major aspects of the federal application process. Mr. Naumoff stated that although the current focus is the \$7 billion Solar for All program of the GGRF, they will support OAQDA in requesting funds from the two other programs (the remaining \$20 billion). Over the next six months, they will work with key stakeholders and community leaders to position OAQDA to receive a portion of those funds.

Director O’Keeffe added that community engagement requires a lot of work and she wanted to ensure the scope of work with EY fully accounts for these services. Mr. Jackson added that Director O’Keeffe requested that EY expand their scope of work relative to the time spent on stakeholder and community engagement, which EY did without increasing the proposed fee. He stressed that they want to do a great job and are looking forward to partnering with OAQDA.

Chairman Simon sought clarification on whether OAQDA will be the designated recipient of federal funds from the \$7 billion program and if Ohio will have an allocation. Director O’Keeffe responded that the Governor’s Office has identified OAQDA as the agency to receive those funds and will be the lead agency.

Chairman Simon further inquired if anyone has heard information related to other states and their intentions to apply. Mr. Naumoff described observations of other states, but final action is not known until a federal solicitation is released with the submission of Letters of Intent. Discussion continued surrounding potential application timeline and federal award process.

Member Marsh inquired if EY is working with other entities on pursuing the federal funds. Mr. Naumoff replied that they submitted proposals with other states but if the Authority were to approve this proposal, then it would be EY’s first engagement to partner with an entity to assist in pursuing the GGRF funds.

#### 6. Resolution 23-22 (Administrative)

#### Greenhouse Gas Reduction Fund

A resolution authorizing the Executive Director to engage professional services for purposes related to applications for federal funding.

Director O’Keeffe introduced this Resolution to authorize the Executive Director to engage the professional services of Ernst & Young LLP related to applying for federal funding in the Greenhouse Gas Reduction Fund.

Chairman Simon requested a motion to approve Resolution 23-22. Member Brook moved for approval. Vice Chairman Keenan seconded.

Roll call vote:

Member Brook: Yes

Member Curtin: Yes

Vice Chairman Keenan: Yes

Chairman Simon: Yes

Member Marsh: Yes

Member Phillips: Yes

Motion passed unanimously. Resolution adopted.

At 11:15am Chairman Simon announced a 10-minute break prior to entering Executive Session.

#### 7. Executive Session

A motion under Revised Code Section 121.22(G)(2) to consider the purchase of property for public purposes.

At 11:20am, Member Brook moved to go into executive session. Member Curtin seconded.

Chairman Simon requested a roll call vote.

Chairman Simon: Yes  
Member Marsh: Yes  
Vice Chairman Keenan: Yes  
Member Brook: Yes  
Member Curtin: Yes  
Member Phillips: Yes

The members returned to open session at 11:50am.

#### 8. Resolution 23-23 (Administrative) Office Space

A resolution authorizing the Executive Director to proceed with negotiations for lease of office space.

Chairman Simon requested a motion to approve Resolution 23-23. Member Brook moved for approval. Member Marsh seconded.

Roll call vote:

Chairman Simon: Yes  
Vice Chairman Keenan: Yes  
Member Brook: Yes  
Member Marsh: Yes  
Member Curtin: Yes  
Member Phillips: Yes

#### 8. Professional Development Required Training

Director O’Keeffe explained the purpose of the training on anti-sexual harassment and anti-discrimination, stating all board members and staff are required to participate as directed by Governor DeWine’s Executive Order.

#### 9. Adjournment

Chairman Simon adjourned the meeting at 12:25pm.

**The regular meeting of the *OHIO AIR QUALITY DEVELOPMENT AUTHORITY* will be held on Wednesday, July 12, 2023, at 10:00 am at 480 South High Street, Columbus, Ohio, 43215.**